

Message Text

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ACTION EB-08

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FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC 6264

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E.O.: 11652: N/A

TAGS: ESTC, DA

SUBJ: POST-SHIPMENT CHECK ON COMMODITIES EXPORTED TO ALLIMEX,
COPENHAGEN

REFS: (A) STATE 78847; (B) COPENHAGEN 1745

1. EMBASSY MEETING WITH MR. STEIN OF FEDERATION OF DANISH
INDUSTRIES (FDI) REVEALED THE FOLLOWING:

A. FDI ACTS AS CONSULTANTS ONLY TO DANISH COMMERCE MINISTRY
BECAUSE OF THE TECHNICAL ASPECTS OF COMMODITY CHECKS UNDER
COCOM AGREEMENT.

B. MR. STEIN WAS NOT AWARE THAT SUBJECT VIDEO HEADS HAD EN-
TERED UNDER IC/DV PROCEDURE. ON THE OTHER HAND, HE SAID, THIS
WAS NOT FDI'S RESPONSIBILITY, AS THEY ARE NOT DIRECTLY IN-
VOLVED IN THE ISSUANCE OF IMPORT/EXPORT PERMITS.

C. IN THE SUBJECT CASE MR. STEIN DETERMINED THAT THE VIDEO
HEADS WERE NOT ON THE EMBARGO LIST BASED ON FINDINGS UNDER
COCOM LIST NO. 1572, NOTE 4 A. SUBSEQUENTLY COMMERCE MINISTRY
ISSUED EXPORT PERMIT FOR REEXPORT TO GDR.

D. MR. STEIN WAS SLIGHTLY PUZZLED OVER EMBASSY INVOLVEMENT
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IN THIS CASE AS OTHER CASES WITH LIKE CHARACTERISTICS WERE
USUALLY PRESENTED TO HIM FROM COCOM IN PARIS.

2. EMBASSY ALSO CONTACTED MR. HARTLEV, COMMERCE MINISTRY,
RESPONSIBLE FOR COCOM MATTERS, WHO TOLD US THE FOLLOWING:

A. HE AGREED THAT IC/DV PROCEDURE APPLIED ONLY TO PRODUCTS

ON COCOM LIST. ON THE OTHER HAND, THE ISSUANCE OF IC DOES NOT INVOLVE A COMMODITY CHECK FROM DANISH SIDE, DETERMINING WHETHER PRODUCTS ARE ACTUALLY EMBARGOED ON COCOM LIST.

B. UPON APPLICATION FOR REEXPORT FROM DANISH IMPORTER'S SIDE, THE COMMODITY CHECK PROCEDURE TAKES PLACE AS OUTLINED UNDER 1 (A) AND (C) ABOVE.

C. MR. HARTLEV SAID THAT TO HIS KNOWLEDGE THERE WAS NO NOTIFICATION PROCEDURE ESTABLISHED UNDER COCOM AGREEMENT, WHEN SUCH "RECLASSIFICATION" OF PRODUCTS TAKES PLACE.

D. MR. HARTLEV FINALLY STATED THAT DANES ADHERE STRICTLY TO THE COCOM AGREEMENT. POSSIBLE STRICTER US EXPORT CONTROLS THAN THOSE OF COCOM WERE NOT CONSIDERED BY COMMERCE MINISTRY, AND IF SO THIS WAS A MATTER BETWEEN THE US EXPORTER/US EXPORT ADMINISTRATION AND IN THIS CASE THE DANISH IMPORTER. IN SOME INSTANCES, HE TOLD US, THE DANISH EXPORT CONTROL LIST IS ALSO STRICTER THAN THE COCOM LIST.

3. THE TIMETABLE FOR SUBJECT TRANSACTION (SEE 4 BELOW) CLEARLY SUGGESTS THAT ALLIMEX ALREADY IN NOVEMBER 1977 KNEW THAT SUBJECT PRODUCTS WERE ULTIMATELY DESTINED FOR GDR. ALLIMEX, MR. RASMUSSEN, CLAIMED THAT IC CONTAINS STATEMENT THAT REEXPORT MAY TAKE PLACE IF AUTHORIZED BY COMPETENT DANISH AUTHORITIES (WHICH THEY DID) AND THAT THEY HANDLED ENTIRE TRANSACTION IN GOOD FAITH. LIMITED OFFICIAL USE

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ALLIMEX WAS REPORTEDLY NOT AWARE THAT DIVERSION OF SUBJECT PRODUCTS WAS PROHIBITED UNDER US LAW AND THAT DIVERSION SHOULD HAVE BEEN COMMUNICATED BACK TO THE US EXPORTER BEFORE IT TOOK PLACE. IN RESPONSE TO EMBASSY QUESTION, ALLIMEX STATED THAT NO DESTINATION CONTROL STATEMENT ON AWB WAS NOT OBSERVED BY ALLIMEX.

4. THE TIMETABLE FOR SUBJECT TRANSACTION IS AS FOLLOWS:

A. NOVEMBER 9, 1977: ALLIMEX SALES CONTRACT WITH GDR SIGNED. THIS STATEMENT APPEARS ON THE EXPORT PERMIT ISSUED BY COMMERCE MINISTRY. IMPORT-EXPORT LICENSING OFFICE.

DEC. 5, 1977: ALLIMEX APPLIES FOR ISSUANCE OF IC
DEC. 5, 1977: ALLIMEX APPLIES FOR EXPORT PERMIT
DEC. 6, 1977: IC SIGNED BY COMMERCE MINISTRY
DEC. 12, 1977: EXPORT PERMIT GRANTED BY COMMERCE MINISTRY
DEC. 15, 1977: IC RECEIVED BY SJR
JAN. 27, 1978: SHIPPED TO DENMARK ON SAS AWB
FEB. 7, 1978: REEXPORTED TO GDR

5. EMBASSY INFORMALLY SUGGESTED TO ALLIMEX THAT IN THE FUTURE THEY NOTIFY THE US EXPORTER OF ULTIMATE DESTINATION TO ENABLE

HIM TO COMPLY FULLY WITH THE US EXPORT ADMINISTRATION REGULATIONS AND IF REEXPORT IS CONTEMPLATED AFTER SHIPMENT FROM US HAS TAKEN PLACE, THAT THEY ALSO NOTIFY US EXPORTER ACCORDINGLY. ALLIMEX PROMISED TO DO SO IN THE FUTURE.

6. EMBASSY HAS NO BASIS TO FIND ALLIMEX INELIGIBLE FOR US EXPORT PRIVILEGES. WE SUGGEST, HOWEVER, THAT EXPORT PRIVILEGES BE GRANTED ON A CASE-BY-CASE BASIS INVOLVING POSSIBLE PRE-LICENSING EXPORT TRANSACTION CHECKS.
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